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*Facing Old Age: A Study of Old Age Dependency in the United States and Old Age Pensions*, by Abraham Epstein. New York: Alfred A. Knopf. 1922. 352 pp.

The author's first sentence reads as follows: "This book is, frankly, an appeal for social action." Following the foreword, in which he states that "our present methods in dealing with the aged are antiquated, inefficient, ineffective, costly and demoralizing," he presents arguments and a volume of reference material in support of the establishment of an old age pension system in the United States.

The book is divided into five parts and an appendix. The first part deals with the actual condition of the aged and pictures the modern industrial worker as in a very difficult position with respect to his approaching old age. Data are presented to show that the present unfavorable condition is becoming progressively more serious. The following quotations indicate that the author apparently has no sympathy with modern industrial and medical progress:

Increased industrial efficiency, "scientific management," the "bonus system," and specialized and standardized production are forces which are increasingly using up human energy at greater speed and in a briefer period of life. Often, at the age when the worker in agricultural pursuits is considered to be in his prime, the industrial worker is found to have become worn out and old. . . . The lot of the aged and superannuated worker is thus adversely affected by practically every step of industrial progress; and little or no benefit is derived by old wage-earners from industrial improvements.

. . . one cannot but wonder whether the fact that the aged population in the United States has increased from 3.5 per cent for those 65 years of age and upward in 1880 to 4.3 per cent in 1910, and that the expectation of life has improved, has been a desirable thing and is to be considered much of a blessing by the aged poor. Faced with conditions such as described above, and with the almshouse as the final destination of a life of destitution and drudgery, do they not look upon modern industrial development, as well as the advances made in medical progress and health as the creations of an evil spirit, which have, on the one hand, curtailed their period of production, and, on the other hand, prolonged their years of misery by the increased duration of life?

Part II of the book takes up the causes of old age dependency. Here the author first charges superannuation, dependency due to waning earning power, lack of family connections, sickness and industrial accidents as individual causes of dependency. He presents data compiled from various sources on sickness and accidents, and ends with the following charge against industrial efficiency:

It is out of place to dwell here upon the tremendous price which is being paid annually in human and economic values in this country, largely as a sacrifice to greed and greater efficiency. . . . What this annual hecatomb means in terms of destitution and mental and physical suffering to the victims and their dependents permits no estimation.

The inadequacy of the wages paid to the wage-earner is presented next as an important cause of old age dependency, and he points out that "rarely is it taken into consideration by either party to the labor contract in modern society that the basis of the daily wage must make provision for such exigencies as sickness, accident, disability and old age." Finally, unemployment, strikes,

general misfortunes, and the part played by moral character are included in the causes of old age dependency.

Part III treats of existing methods of relief and presents a description of the various individual savings plans open to the wage-earner and of the various staff pension funds of industrial and governmental organizations. The author points out that the inadequacy of these plans is due to the facts that they have not been generally adopted, that many of those already adopted are subject to discontinuance at any time, and that many of them are financially unsound.

Part IV describes the purposes and nature of old age pensions and presents arguments for and against various methods of financing them. A history of the pension movement in this country is then given.

Part V describes the old age pension schemes and funds of other countries and of various states of this country, including approximately thirty different plans.

Although no specific outline of a general old age pension plan is recommended in the book, the appendix includes the draft of a bill introduced in the United States Congress to provide old age pensions, and the draft of a bill proposed by the Pennsylvania Commission, of which the author was director, and introduced in the Pennsylvania legislature in 1921.

The bill presented to the Pennsylvania legislature provides for the creation of a State Old Age Assistance Board consisting of three members appointed by the governor. This board is to appoint a State Old Age Assistance Superintendent, who is to be provided with assistants. In each county of the state a county board of three citizens, appointed by the governor (with the approval of the state board) on the recommendation of the county commissioners, is also provided for. County boards may appoint local investigators and make recommendations to the state board. An old age pension is to be fixed in each case by the state board, but in no case shall it exceed \$25 a month. To qualify for a pension the applicant must be a citizen of the United States, he must have attained the age of sixty-five and have been a resident of Pennsylvania for 15 continuous years immediately preceding his application, or for 35 years followed by 5 continuous years immediately preceding his application. He must not be an inmate of any jail, asylum, poorhouse or similar public institution, he must not have an income in excess of \$300 a year, nor property valued in excess of \$5000, and he must not have a child financially able to support him. The applicant whose claim is approved receives a certificate showing the amount of his pension, which certificate is subject to cancellation or change in the event of a change in the applicant's income. On the death of the applicant any amounts paid under the certificate, with 3 per cent interest, are deductible from his property and refundable to the state. If he has no property the state pays burial expenses not exceeding \$100. No reserves are created, no contributions are required, no actuarial estimates or checks are provided. The entire cost of the pensions is to be provided by the Commonwealth of Pennsylvania. The administrative expenses of the state board are to be paid by the state, and the expenses of the county boards by the counties.

The author pleads guilty to a certain bias in connection with his presentation

of the subject, but he attempts to present the material regarding the various systems of old age pensions impartially. He has endeavored to give such a complete presentation of the workers' condition and has drawn upon so many sources that the data included must be used with care; otherwise the reader will find some disagreement between the arguments and the figures presented. It is to be regretted that the author does not present any estimates of the probable future cost of the various types of old age pension plans. In view of the difficulties that are confronting so many pension schemes which have been established without proper regard to cost, it would seem that the relative costs of the various old age pension plans proposed should receive careful consideration before laws are placed on the statute books.

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*Index Numbers of Wholesale Prices in the United States and Foreign Countries.*

U. S. Department of Labor, Bureau of Labor Statistics. Bulletin No. 284 (revision of Bulletin No. 173). October, 1921. 350 pp.

The monograph on index numbers of wholesale prices, prepared under the direction of Dr. W. C. Mitchell and first published in July, 1915, is so well known to all who have occasion to use or to analyze index numbers or to construct new ones that any review which concerns itself with the contents of the original study would be entirely unnecessary. In the present edition, Part I, entitled, "The Making and Use of Index Numbers," has been revised, and Part II, on "Index Numbers of Wholesale Prices," has been brought down more nearly to date. These changes, however, have not introduced any material modification of the content or method of the earlier bulletin. There have been included in this edition the index numbers prepared by the Federal Reserve Board, which were begun subsequent to the original publication of the monograph, and some of the more recent work on the index numbers of foreign countries. Doubtless for some good and sufficient reason no reference has been made to certain of the inquiries into index numbers or to a good deal of index number discussion that has been in progress abroad since the close of the war. The earlier monograph was already so thorough in its method that it has not been necessary to make very far-reaching changes. The most important change is perhaps a more extensive mathematical treatment of certain of the phases of index number computation. This no doubt is of large interest to the more technical student of the index number problem, particularly in so far as discussion is offered of the war price literature.

In Part II where the various existing index numbers are reviewed, nothing materially new is given, but what is furnished is brought down sufficiently close to date to make the monograph once more the most complete and available handbook on the subject that is within reach of the student. In the present edition a few of the more important new index numbers are discussed in addition to the ones covered in the original study. Since many of those in the earlier study have long been discontinued, however, it would seem that greater service might have been rendered if some of these had been eliminated and others which are in very general use at the present time had been included.